

University of Michigan  
Pharmacy Benefits Oversight Committee Membership

- Medical School faculty
- Hospital physicians
- UMHS Department of Pharmacy Administration
- School of Pharmacy faculty
- School of Public Health representative
- SACUA representative
- Office of the General Counsel
- M-CARE representative
- Purchasing Department
- Retirees Association
- Union representative
- Benefits Office

PBOC members are appointed for specific terms. The committee requires balanced representation from key functions and areas of the University that provide both content expertise as well as representation of consumers in specific constituencies using the prescription drug plan.

PHARMACY BENEFIT OVERSIGHT COMMITTEE  
Mission and Role of the Committee

- Provide internal expertise and resources to the self-administered, self-funded consolidated outpatient pharmacy benefit plan involving key campus stakeholders.
- Oversee and recommend changes to improve patient care, provide the best medical outcomes and reduce unnecessary cost for pharmacy benefits.
- Ensure confidentiality of patient data.
- Ensure patient access to a broad network of participating pharmacies.
- Promote patient and physician education and communication programs.

Primary Committee Objectives

Guide, develop and recommend benefit plan design:

- Operate using guidelines and principles for decision-making based on 2002 task force recommendations (i.e., select and offer best value medications in the right amount, at the right time)
- Co-pay levels and tiers, deductibles/coinsurance levels and out-of-pocket maximums for retail and mail order purchases
- Review formulary recommendations from the Pharmacy and Therapeutics Committee, including covered drugs, dispensing quantities, prior authorizations, and preferred drug tier status
- Evaluate plan cost and utilization data and development of related utilization management programs
- Develop process and benchmarks for annual customer satisfaction survey
- Evaluate and approve proposed research proposals and pilot programs for innovation drug management

Monitor and review PBM vendor services and performance, and recommend changes in PBM services and management as needed:

- Pharmacy network management, pharmacy profiling and pharmacy management programs
- Utilization review policies (concurrent, retrospective, prospective)
- Prior authorization policies
- Integration of medical/disease management programs
- Physician profiling (prescribing patterns) and access to plan information
- Customer/member services

Review data & audits of manufacturer rebates.

Review, analyze and monitor plan data, utilization, trends and costs; develop models for annual reporting standards and benchmarks.

Develop measures for quality assurance and outcomes.

Promote physician and patient education/communication programs and develop improved physician connectivity programs.

Develop, recommend and monitor policies, processes and resources for second-level claim appeals from physicians and patients.

### Pharmacy Benefits Oversight Committee Major Accomplishments

#### Administrative

- Conducted 2002 and 2005 RFPs to identify best-value pharmacy benefit managers (PBMs) and mail order pharmacy
- Design standardized coverage and catastrophic plan coverage for all members
- Created infrastructure for plan operations, vendor management, data access and analysis, and oversight that utilize internal expertise
- Develop Pharmacy & Therapeutics Committee using evidence-based guidelines for management of formulary
- Created and evaluate annual customer satisfaction survey
- Created joint cost-saving programs with UMHS Department of Pharmacy
- Developed coordinated pharmacy efforts with area health plans

#### Financial

- Maintained drug plan annual cost trend increases below the national averages
- Maintained stable member copays for 5 years, lower than peer institutions
- Created prescription drug reserve savings to offset drug premiums
- Adopt and received Medicare Part-D employer subsidy

#### Clinical

- Increased generic dispensing rate from 42% to 59% in four years, significant cost savings to plan and members
- Adopted numerous patient drug utilization programs aimed at encouraging appropriate use and elimination of waste, overuse, abuse

- Adopted an equitable appeal process for medical necessity reviews requested by patients and physicians
- Created member handbooks, newsletters and web sites with member self-help tools
- Created electronic formulary access and updates to UMHS physicians

#### Research and Pilot Programs

- Held Medical Use Best Practice Conference with national experts and employers
- Support and collaborate on studies to demonstrate evidence of safety, cost savings and quality improvement: pill splitting, pharmacy safety, benefit-based copays with diabetics, and complex drug therapy management
- Commission faculty proposals reporting on member cost sharing, specialty pharmacy management, older plan member utilization , and non-University provider prescribing practices